

ARIZONA DEPARTMENT OF REAL ESTATE
REAL ESTATE ADVISORY BOARD
MINUTES
July 20, 2006

The Arizona Real Estate Advisory Board met on Thursday, July 20, 2006 at the Arizona Department of Real Estate (ADRE), 2910 N. 44th Street, First Floor Conference Room, in Phoenix, Arizona.

I. CALL TO ORDER

Chair Gary Brasher called the meeting to order at approximately 10:00 a.m.

Present were:

Gary Brasher, Chair, Tubac; Lisa Suarez, Vice-Chair, Tucson; Frank Dickens, Member, Flagstaff; Vicki Cox Golder, Member, Tucson; Vince Pellerito, Member, Scottsdale; and Ann White, Member, Tucson.

Unable to attend: Tom Pancrazi (Yuma), R.L. Brown (Sun City), and Felipe Zubia (Avondale)

ADRE representatives present:

Elaine Richardson, Commissioner
Ronald Passarelli, Deputy Commissioner
Tom Adams, Director of Regulation
Tory Anderson, Chief Financial Officer
Colin Austin, Deputy Director, Professional Education Division
Janet Blair, Deputy Director, Auditing Division
Bill Day, Deputy Director, Subdivision Investigations
April Ellis, Assistant to the Commissioner
Cindy Ferrin, Deputy Director, Development Services Division
Connie Johnson, Deputy Director, Licensing Division
Dave Lewis, Deputy Director, Investigations Division
Carla Randolph, Manager, Administrative Actions Division
Roy Tanney, Director, Development Services Division
Mary Utey, Personnel & Communications Director
Mike Wheeler, Deputy Director, Administrative Actions Division
Cindy Wilkinson, Director, Licensing and Professional Education Division

Public present:

Alice Martin, Arizona Association of Realtors®
Jim Sexton, Broker, John Hall and Associates
Sara Sparman, Williams and Associates

Board Members and new ADRE staff introduced themselves.

II. MINUTES

Upon motion by Vince Pellerito, seconded by Vicki Cox Golder, the Minutes of the May 4, 2006 meeting were unanimously approved.

III. FACILITATOR REPORT FROM ADVISORY BOARD MEMBERS

Several members reported that they had received various inquiries from the public and had responded or redirected the caller appropriately.

IV. ANNUAL REPORT

Chair Brasher explained the Real Estate Advisory Board's responsibility to provide an annual report to the Governor pursuant to A.R.S. §32-2104. Board members will review the 2005 Annual Report and provide feedback to the Chair regarding the 2006 Annual Report. Chair Brasher will provide a draft of the 2006 Annual Report for review by board members at the October 2006 Advisory Board Meeting.

V. UPCOMING ANNUAL ELECTION IN OCTOBER 2006 – DISCUSSION

Chair Brasher announced upcoming elections in October 2006. This matter was tabled and will be addressed at the October 2006 Advisory Board meeting.

VI. COMMISSIONER'S REPORT**Budget**

Budget constraints were addressed. The Department is requesting funding and authorization for 22 additional positions.

Personnel Changes

Commissioner Richardson announced Special Assistant to the Commissioner Dick Simmonds' retirement from ADRE. After a short break, he will continue to work for the Department in a four-tenths capacity inspecting subdivisions and auditing developers. As a result of this personnel change, there was a reorganization of staff and assigned duties. Commissioner Richardson summarized the new titles and job duties:

Tom Adams, Director of Regulation

Carla Randolph, Manager, Administrative Actions Division

April Ellis, Assistant to the Commissioner

Mary Utle, Personnel & Communications Director

Tory Anderson, Chief Financial Officer

Cindy Wilkinson will continue as Licensing and Education Director

Licensing and Professional Education Division

Commissioner Richardson stated as a result of the recommendation of the consulting work performed by Randall Gnant for ADRE, the following were implemented:

- Concierge Program
- Drop-box for applications
- Moved two employees from front lobby and replaced with two computer terminals to encourage licensees to use the online renewal system.

Administrative Actions

The voluntary Accelerated Settlement Agreement ("Traffic Ticket") program continues to be highly successful in resolving cases. (This was implemented a result of our consultant's work.)

Note: Every employee is being cross-trained to address retirement and absentee issues.

Commissioner Richardson stated that although the Real Estate Market has slowed, the Department has seen only a slight decrease as indicated by the following:

	<u>Last Six Months 2005</u>	<u>First Six Months 2006</u>
Original salespersons	6,324	5,472
Original brokers	483	495
Original broker entities	1,087	612
Renewal, salespersons and brokers	13,352	13,506

Investigations

The Investigations Division opened 160 cases in July 2006 compared to 58 the same time last year.

Bill Day reported that he has been meeting with the counties and their planning and zoning directors and they are generally receptive to reporting illegal subdivision activities to the Department.

Outreach

Commissioner Richardson has continued speaking to different groups in areas around the state, including various local Boards for Realtors®, Leadership meetings, etc.

VII. REPORT ON DIVISION MONTHLY REPORTS

Deputy Commissioner Ron Passarelli provided the Board with the monthly ADRE Activity Report and highlighted activity for June.

VIII. SUBDIVISION PILOT PROGRAM REPORT

Chair Brasher reported that the ADRE has implemented the Subdivision Task Force Recommendations. Roy Tanney stated that, as a result, the backlog has been reduced. There are 11 unassigned 'regular' applications for Public Report (including cemeteries and time-shares), which have a turn-around time of 55 days. Expedited applications for Public Report average 18 days turn-around time. To address the backlog, the staff has focused on an Administrative Review. ADRE contacts applicants and advises them to pick up incomplete applications, providing a checklist to identify the deficiencies. The developer must submit an application for Subdivision Public Report

that meets minimum filing requirements before the Department will accept and process it.

IX. OTHER MATTERS

Commissioner Richardson stated that as a result of budget constraints, the Department has reduced the size of its Tucson office space. The Department of Liquor acquired space from ADRE, resulting in a small savings in rent for the Department.

Real Estate Ad Hoc Committee Update

The ADRE's streamlining of the Arizona Public Report for Sonora Real Estate properties was discussed. As part of the process the Department accepts documents from Mexico that meet ADRE standards.

Regarding licensing, Cindy Wilkinson reported that the State of Sonora has established a 100-hour curriculum for their real estate certification requirement. It has been proposed that the Sonora Real Estate agents follow Arizona's prescribed outline so Arizona is able to accept hours completed in Mexico when a Mexican National applies for an Arizona Real Estate License. ADRE will research what is being taught in Mexico so as to match with the Department's curriculum. This project is ongoing.

X. CALL TO THE PUBLIC

Jim Sexton, designated broker of John Hall and Associates, questioned the timing for the license renewal process--how long does it take. Connie Johnson, Deputy Director for the Licensing Division, summarized the rule that allows a licensee who files a timely and sufficient application for renewal to continue to work until the application is processed.

Cindy Wilkinson announced that Phase II of the online system is in the development process and anticipates completion by the end of the year. This will allow a broker to renew the entity's broker license online. Brokers will be able to initiate severals, open and close branch offices and assign branch managers, etc. Late renewals will also be able to be done online as long as there are no disclosures.

Mr. Sexton questioned information being saved on any computer that he signs on to. Tom Adams answered that this is due to settings on the user's computer and not the Department's on-line system or database.

Board member Frank Dickens questioned one facet the Concierge Program--how the licensee or broker knows the application has been filed. Ms. Wilkinson responded that applicants were urged to bring in a copy of their application and the Department could date stamp the copy. If complete and timely filed, the licensee could immediately begin work.

XI. ADJOURNMENT

On a motion by Vince Pellerito, seconded by Frank Dickens and approved by the members, Chair Brasher adjourned the meeting at 11:10 a.m.

DATED THIS _____ day of _____, 2006.

ARIZONA REAL ESTATE ADVISORY BOARD

By: _____
Gary Brasher, Chairman